



# Quality Incentive Payment Program Instructions

## Objectives

The Department of Resources Recycling and Recovery (CalRecycle), Division of Recycling has prepared this bulletin to assist eligible curbside programs and dropoff or collection programs in improving the quality and marketability of their empty glass beverage containers collected for recycling in California and to assist eligible certified entities in qualifying and properly reporting for the Quality Incentive Payment (QIP) Program authorized under Public Resources Code (PRC), § 14549.1.

## Quality Incentive Payment Program

The passage of AB 7 (8X) (Chapter 5, Stat. 2010) amended PRC § 14549.1 to address matters of fiscal solvency for the Beverage Container Recycling Fund (Fund).

PRC § 14549.1 was enacted to improve the quality and marketability of empty aluminum, glass, and plastic beverage containers collected for recycling by curbside recycling programs or dropoff or collection programs.

With the passage of AB 7 (8X), QIP payments was reduced from \$15 million annually to \$10 million annually and may only be expended for empty glass beverage containers collected for recycling by curbside recycling programs or dropoff or collection programs.

Subject to the availability of funds, CalRecycle may pay up to \$10 million annually to registered curbside programs, or certified dropoff or collection programs, or other certified entities that sort and clean material to

QIP specifications as determined by CalRecycle. CalRecycle may make only one QIP for each empty glass beverage container collected. CalRecycle shall pay the QIP to eligible entities biannually.

This bulletin will discuss the quality specifications and reporting requirements for empty glass beverage containers.

## Contacts

### *Quality Incentive Payment Program*

Department of Resources Recycling and Recovery  
Division of Recycling  
Statistical Information Section  
801 K Street, MS 17-24  
Sacramento, CA 95814  
Phone (916) 323-5778

### **Glass Quality Incentive Payment Specifications**

CalRecycle may pay up to sixty dollars (\$60) per ton, as determined by CalRecycle, for empty glass beverage containers that are color-sorted and

substantially free of contamination, as specified in CCR, Title 14, Division 2, Chapter 5, Subchapter 2, Article 4, § 2850.

<http://www.calrecycle.ca.gov/BevContainer/LawsRegs/Regs.pdf>

### **Recommendations for obtaining and maintaining the highest quality material:**

#### ***Single Stream Recycling Best Practices Manual***

<http://www.calrecycle.ca.gov/BevContainer/Publications/BestPracticesManual021407.pdf>

#### ***Single Stream Recycling Best Practices Implementation Guide:***

<http://www.calrecycle.ca.gov/BevContainer/Publications/BestPracticesGuide021407.pdf>

### **Reporting Instructions for Empty Glass Beverage Containers**

#### **General**

For empty beverage containers that are processed to QIP specifications, either the Shipping Report (DR-6) or the Quality Incentive Payment Form (DOR 56 (03/10)) shall serve as the claim for QIP.

#### **Quality Incentive Payment Claim Form (DOR 56 (12/12)) (Attached)**

For empty glass beverage containers that are processed to QIP specifications subsequent to completion of the DR-6, an eligible participant shall submit a DOR 56 (03/10) to CalRecycle for each calendar month in which the QIP is being claimed.

For processor-to-processor transactions (purchases without a shipping report (DR-6)), an eligible participant must obtain a Department approved methodology to attribute the eligible empty glass beverage containers to the types of programs from which they were received.

A certified participant proposing a methodology must include a detailed description of how the entity will determine the QIP payment for only curbside and dropoff or collection programs from other beverage containers collected from other certified and non-certified entities. Additionally, it must indicate how it will reduce any residuals from the total received weight.

Upon receipt of the approved methodology for the empty glass beverage containers, a certified entity shall submit a DOR 56 (12/12) to CalRecycle for each calendar month in which the QIP is being claimed. The DOR 56 must be submitted to CalRecycle no later than the first day of the second month following the reporting month.

CalRecycle shall calculate on an annual basis Statewide Average QIP Rates for glass that exclude empty beverage containers collected by non-curbside and dropoff or collection programs (for example, recycling centers). The Statewide Average QIP Rates reflect an estimate of CRV material collected from curbside and dropoff or collection programs in a load of commingled material collected from all recyclers and are used for purchases without DR-6 Shipping Reports (for example, processor to processor transactions).

Statewide average commingled rates determined by CalRecycle annually are used for direct purchases of glass from curbside and dropoff or collection programs when not reported through a DR-6 Shipping Report.

## **SAMPLE SCENARIOS**

### **Shipping Reports (DR-6) for QIP**

#### **Scenario 1**

A curbside program ships single-stream loads to a certified processor or recycling center. The processor/recycling center processes the glass beverage containers to the appropriate QIP specifications and completes the DR-6 when the material is shipped. Because the processor/recycling center did the sorting prior to the completion of the DR-6, an "R" is placed in the QIP box on the DR-6.

#### **Scenario 2**

A curbside program contracts with an independent MRF to sort its QIP eligible materials. The materials are then shipped to a certified processor. An "S" is placed in the QIP box on the DR-6 because the materials were sorted and cleaned prior to shipment to the processor.

### **Quality Incentive Payment Claim Form (DOR 56 (03/10))**

#### **Scenario 1**

A dropoff or collection program ships contaminated commingled glass food and beverage containers to a certified processor or recycling center. The processor/recycling center completes a DR-6 upon receipt of the load and later

cleans the glass beverage containers to QIP specifications. The processor/recycler would complete and submit a DOR 56 (03/10) to CalRecycle after the glass is color sorted and cleaned to QIP specifications.

### **DOR 56 Reporting Methodology (Attached)**

To assist certified participants in developing a DOR 56 reporting methodology, CalRecycle has developed a DOR 56 Model Reporting Methodology (Model) that may be used. Certified participants choosing to use CalRecycle's sample Model may do so by placing the Model on their letterhead and submitting it to CalRecycle for approval. If you need example reporting tools to maintain documentation for the Model, please contact the Statistical Information Section at (916) 323-5778.

## Quality Incentive Payment Claims Methodology Model

(On participant company letterhead)

Date

Participant Name

Certification Number

Insert Participant Name requests approval from the Department of Resources Recycling and Recovery, Division of Recycling, to submit Quality Incentive Payment (QIP) claims for empty glass beverage containers that were processed to QIP specifications received at our Insert facility location.

The following information will be collected and recorded from all certified or registered participants that QIP eligible material is purchased from:

- Participant Name
- Certification or Registration Number
- Total Received Weight in Tons
- Estimated Residue or Waste Percentage

Insert Participant Name will determine, by participant and material type, the QIP eligible material and estimated payment, as follows:

- 1) For material purchased directly from curbside programs and dropoff or collection programs:
  - a) The residue or waste tons total will be determined by multiplying the received weight tons by the residue or waste percentage.
  - b) The adjusted received weight tons will be determined by subtracting the residue or waste tons from the received weight.
  - c) The total QIP weight will be determined by multiplying the adjusted received weight tons by the statewide commingle rate.
    - i) If the material is purchased from a registered Curbside Program, the statewide commingled rate for Curbside Programs will be used.
    - ii) If the material is purchased from a certified Dropoff or Collection Program, the statewide commingled rate for Dropoff or Collection Program will be used.
    - iii) A Community Service Program is a type of dropoff or collection program, if the material is purchased from a Community Service Program, the statewide commingled rate for a Community Service Program will be used.
  - d) For glass only, the total QIP weight for each color fraction (flint, amber, green, and mixed color) glass will be determined by multiplying the total QIP weight for glass by a percentage for each color fraction. The percentage of each glass fraction will be estimated based on quarterly sampling to determine the amount (percentage) of color sorted material derived from the outbound material. For example only, based upon the 2010 first quarter sampling: 30% flint, 15% amber, 15% green, and 40% mixed color glass.
  - e) The total estimated QIP payment will be determined by multiplying the total QIP weight by the applicable QIP Rate per ton.
- 2) For material purchased directly from certified processors:
  - a) A determination of non-qualifying material, if any, will be made and subtracted from the total weight ticket to determine the Total Received Weight in tons.
  - b) The residue or waste tons total will be determined by multiplying the received weight tons by the residue or waste percentage.
  - c) The adjusted received weight tons will be determined by subtracting the residue or waste tons by the received weight.
  - d) The total QIP weight will be determined by multiplying the adjusted received weight tons by the Statewide Average QIP Rate.

- e) For glass only, the total QIP weight for each color fraction (flint, amber, green, and mixed color) glass will be determined by multiplying the total QIP weight for glass by the percentage for each glass color fraction. The percentage of each glass fraction will be estimated based on quarterly sampling to determine the amount (percentage) of color sorted material derived from the outbound material. For example only, based upon the 2010 first quarter sampling: 30% flint, 15% amber, 15% green, and 40% mixed color glass.
- f) The total estimated QIP payment will be determined by multiplying the total the total QIP weight by the applicable Statewide Average QIP Rate per ton.

Insert Participant Name will determine the total QIP eligible material weight and estimated QIP payment, as follows:

- 1) The total Color Sorted Glass Redemption Weight (Tenths of Tons) will be determined by summing the total QIP eligible color sorted weight for each color fraction (flint, amber, and green).

The attached spreadsheet is submitted for your review for use in determining the total weight and estimated payment for QIP.

Insert Participant Name requests the Department of Resources Recycling and Recovery approve this methodology for submitting Quality Incentive Payment Claim Form. If you have any questions, I can be reached at Insert Phone Number. Thank you for your consideration in this matter.

Sincerely,

Insert Name  
Insert Title

Attachment

FOR STATE USE ONLY  
PROCESSOR CCN



FOR STATE USE ONLY  
CCN



PRINTED ON RECYCLED PAPER

## SHIPPING REPORT

STATE OF CALIFORNIA - The Resources Agency  
DEPARTMENT OF CONSERVATION  
Division of Recycling  
DR-6 (06/07)

FOR STATE USE ONLY  
ATTACHED TO CCN

FOR STATE ONLY

### COMPLETED BY SHIPPER:

COMPANY NAME

ADDRESS

CERT. #

CONTACT PERSON

TELEPHONE NUMBER

### RECEIVER INFORMATION

COMPANY NAME

CERT. #

MATERIAL TYPE

☐ AMENDMENT TO FSN

### RECYCLER PAYMENT REQUEST INFORMATION

	REDEMPTION WEIGHT (LBS)	REFUND
FROM Receipts & Logs	•	•
FROM Shipping Reports or Consolidated Reports	•	•
TOTAL	•	•

Receipt & Log Entries For    Thru    Number of Attachments or Consolidated Shipments

COMPLETED BY RECEIVER  
Weight Ticket #

Received Wt. (Lbs.)

RECEIVER PAYMENT ANALYSIS  
Refund Value (C)

Processing Pymt. (D)

Subtotal Due (C+D)

<input type="text"/>	<input type="text"/>	•	•	•
Received Date: <input type="text"/> <input type="text"/> <input type="text"/>	Completed by receiver only: <input type="text"/>	% of Reduction Taken <input type="text"/>	ADMINISTRATIVE FEE <input type="text"/>	•
TOTAL PAYMENT DUE				•

Civil penalties of up to five thousand dollars (\$5,000.00) per day may be assessed for violation of the laws and regulations governing this report. In addition, the submission of false information with intent to defraud is a crime punishable by substantial fines, up to three years imprisonment, or both. Knowing this, I certify under penalty of perjury that the facts presented herein are true and correct to the best of my knowledge.

QIP  
S or R

% OF SHRINKAGE

APPROVED FOR PAYMENT Shipper's Signature/Title

Receiver's Signature/Title

Shipper's Printed Name

Receiver's Printed Name

Date

Date

For more information, visit our website at: [www.calrecycle.ca.gov](http://www.calrecycle.ca.gov)

# Department of Resources Recycling and Recovery

## Division of Recycling



801 K Street, MS 17-24 • Sacramento, California 95814  
**Phone** 916/323-5778 • **Fax** 916/445-0645 • **TDD** 916/324-2555  
**Website** [www.calrecycle.ca.gov](http://www.calrecycle.ca.gov)

### QUALITY INCENTIVE PAYMENT CLAIM FORM

Application for the month of: \_\_\_\_\_ Year: \_\_\_\_\_

Certification Number: \_\_\_\_\_

Facility Name: \_\_\_\_\_

Facility Address: \_\_\_\_\_

Contact Person: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

**Payment Information** Information must match the mailing address on the Payee Data Record (STD 204)

Payee's Name: \_\_\_\_\_

Payee's Address: \_\_\_\_\_

Color Sorted Glass:

Redemption Weight

FLINT

AMBER

GREEN

(Tenth of Tons)

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To be eligible to submit Quality Incentive Payment Claim Form CalRecycle 757, (previously known as DOR 56), the sorting facility must have a Division approved methodology to attribute beverage container materials to the types of programs from which they were received.

The Division shall pay a Quality Incentive Payment for Glass which is collected by curbside programs or dropoff and collection programs, color sorted and substantially free of contamination.

To be eligible for payment, a Quality Incentive Payment Claim Form CalRecycle 757, (previously known as DOR 56), must be submitted to the Division, no later than the first day of the second month following the reporting month. Applications postmarked after this date or incomplete applications may be denied payment.

I certify under penalty of perjury that the facts presented herein are true and correct to the best of my knowledge.

\_\_\_\_\_  
 Signature and Title of Authorized Representative

\_\_\_\_\_  
 Date